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NSC BRIEFING

29 July 1954

INDOCHINA

- I. With cease-fire, Viet Minh merely switches emphasis from military to political. We estimate military action will be short of overt aggression.
 - A. Ho announced 22 July south would be liberated; Giap echoed: French control in south only temporary.

В.				public		
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NSA, ARMY reviews completed

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C. Covert aid to Cambodian,
Laotian dissidents from Viet
Minh zone appears violation
Art. 19, Vietnam cease-fire
agreement.

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- II. Outlook in south depends on French,
 Vietnamese efforts set up strong
 nationalist government. We estimate:
 - A. Little prospect prompt French action.
 - B. Unless French policy reversed, deterioration in south almost certain.
- III. Cease-fire agreement omits mention

Vietnamese government; thereby

| Caving greatly weakens Diem regime in authorized position.

French willingness withdraw troops "at overnment's request" means at Viet Minh

IV. Viet Minh military action between 21 July and cease-fire apparently to impress population, encourage Vietnamese desertions.

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- A. Active near Nhatrang, deep in southern zone.
- B. However, Trung Gia Commission agreement (pre-cease-fire) not violated.
- C. Two violations, after official
 27 July cease-fire in north
 not significant.

V. FUTURE CAMBODIA

WITH ADEQUATE OUTSIDE ASSISTANCE, WE ESTIMATE CAMBODIANS WILL PROBABLY INCREASE EFFECTIVENESS OF GOVERNMENT AND INTERNAL SECURITY FORCES, BE ABLE TO SUPPRESS COMMUNIST GUERRILLA ACTIVITY AND COUNTER COMMUNIST POLITICAL EFFORT.